

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Joint Petition for
Approval of Transfer of Transmission
Assets of Interstate Power and Light
Company and ITC Midwest LLC

**ORDER SCHEDULING HEARING
ON MOTION**

On August 22, 2007, the Department of Commerce (Department) filed its Motion to Strike the Applicants' Rebuttal Testimony, or in the alternative, to continue the hearing set to commence on August 27, 2007, to a later date in order to allow the Department to review, analyze, conduct discovery on, and respond to the Applicants' "Alternative Transaction Adjustment." On the same day the Office of the Attorney General – Residential and Small Business Utilities Division (OAG-RUD) filed a Motion to Continue the Hearing or to Certify the Question to the Public Utilities Commission, requesting that the hearing be postponed for two weeks.

Both the Department and the OAG-RUD received the Rebuttal Testimony of the Applicants on or about August 21, 2007, less than a week prior to the commencement of the evidentiary hearing. The Rebuttal Testimony was lengthy and included a new Alternative Transaction Adjustment and extensive documentation. Both the Department and the OAG-RUD are concerned that there is insufficient time to carefully review the Rebuttal Testimony and prepare for cross-examination of the Applicants' witnesses. In addition, it may be necessary to conduct additional discovery concerning the Alternative Transaction Adjustment.

The Energy Cents Coalition supported the request of the OAG-RUD for a two-week postponement in order to allow the parties more time to review the Rebuttal Testimony.

The Applicants objected to any delay in the proceedings, but proposed a limited adjustment to allow for an additional day of hearing on the Alternative Transaction Adjustment to assure that it is fully considered. The Applicants assert that the Rebuttal testimony does not go beyond the scope of the Direct Testimony filed by the Department and the OAG-RUD. In addition, the Applicants assert that much of the additional financial information included in the Hampsher Exhibits relates to an issue raised by the Department's witness, Mr. Johnson, in his Direct Testimony, and not to the Alternative Transaction

Adjustment. Moreover, the Applicants point out that Mr. Johnson must have been familiar with the information in order to file his Direct Testimony. The Applicants also disagree with the OAG-RUD's characterization of the Rebuttal Testimony concerning the Commission's established accounting treatment of the gains on asset sales.

The parties have until the close of business on August 23, 2007, to file objections to the Rebuttal Testimony.

In light of the need to fully consider the motions and the significance of the Applicants' Rebuttal Testimony on this proceeding,

IT IS HEREBY ORDERED:

1. A hearing on the Motions filed by the Department and the OAG-RUD will be held on **August 27, 2007, at 10:00 a.m.**, at the Department of Education, Conference Center A, 1500 Highway 36 West, Roseville, MN. At that time all parties will have the opportunity to present oral argument concerning the Motions and to discuss the effect that postponement of the hearing may have on this proceeding

2. No evidentiary hearing will be held on August 27, 2007. The evidentiary hearing will either commence on Tuesday, August 28, 2007, at 9:30 a.m., or new dates for hearing will be set.

Dated this 24th day of August, 2007

/s/ Beverly Jones Heydinger
BEVERLY JONES HEYDINGER
Administrative Law Judge

MEMORANDUM

This proceeding was originally scheduled with short timelines for discovery and preparation for hearing. Under that schedule, the Applicants Rebuttal Testimony was filed less than a week prior to the commencement of the evidentiary hearing. As part of its Rebuttal Testimony, the Applicants filed extensive new information. Although all parties agreed to a schedule that would allow for a final decision by the Commission prior to the close of the calendar year, that agreement was subject to revision if necessary to assure a full and complete record. The Department and OAG-RUD are concerned that the late filing of so much additional testimony less than a week prior to the evidentiary hearing may prevent a full evaluation of the testimony and preparation for hearing.

It will be helpful to the court to give all parties a full opportunity to address the motions. Since the parties are scheduled to convene for the evidentiary hearing, the motions and any necessary adjustment to the schedule will be considered at that time.

The parties should be prepared to discuss alternative dates for hearing in the event that the hearing is continued. The earliest dates available are September 21 and the week of September 24, 2007.

In order to minimize the confusion concerning the scheduling of witnesses if the hearing is not continued, it will begin on Tuesday, August 28, 2007, at 9:30 a.m., with the parties who intend to offer evidence directed to appear at 9:00 a.m. to have the exhibits marked.

PLEASE NOTE: Parking has been reserved in the Department of Education's south lot for participants in this proceeding. It is the same lot as the State Fair Park and Ride.

B. J. H.